

EXHIBIT 1

INTRODUCTION

Respondent AMAC Information & Graphics (“AMAC”) is a political campaign company that designs, produces, and distributes election campaign materials for candidates and committees. Respondent AMAC is located in Redondo Beach, in Los Angeles County, and is solely owned by Respondent William MacAlpin.

On April 2, 1999, an anonymous candidate or committee sent a campaign mailer to voters in the City of Inglewood that depicted Inglewood Mayor Roosevelt Dorn, and City Councilmembers Jerome Horton and Garland Hardeman as apes and monkeys. The mailer also depicted Inglewood city council candidates and a school district candidate, in the upcoming April 6, 1999 city election, as apes and monkeys. The mailer urged the reader not to vote for the candidates, which had been endorsed by Mayor Dorn. The mailer did not include sender identification for the candidate or committee that designed and produced it. The bulk mail permit used to send the mailer belonged to Respondents AMAC and William MacAlpin. The identity of the candidate or committee who produced and paid for the mailer was never ascertained.

In this matter, Respondents’ negligent actions allowed an anonymous candidate or committee to send a mass mailing to over 12,000 Inglewood voters without any sender identification. The recipients of the mailers were unable to determine the source of the mailer, and the derogatory nature of the mailer caused serious public harm in the Inglewood community shortly before the April 6, 1999 city election.

For the purposes of this Stipulation, Respondents’ violation of the Political Reform Act (the “Act”)¹ is stated as follows:

On or about and between March 31, 1999 and April 2, 1999, Respondents AMAC Information & Graphics and William MacAlpin, as persons compensated for services involving the directing of activities regulated by the Political Reform Act, negligently caused an anonymous candidate or committee to send a mass mailing that did not contain sender identification, in violation of Section 84305.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

SUMMARY OF THE LAW

Section 84305, subdivision (a) requires candidates and committees to properly identify themselves when sending a mass mailing. The subdivision specifically requires that:

“...no candidate or committee shall send a mass mailing unless the name, street address, and city of the candidate or committee are shown on the outside of each piece of mail in the mass mailing, and on at least one of the inserts included within each piece of mail in the mass mailing in no less than 6-point type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be used in lieu of the street address, if the organization’s address is a matter of public record with the Secretary of State.”

Section 82041.5 defines a “mass mailing” as over two hundred substantially similar pieces of mail, but does not include a form letter or other mail which is sent in response to an unsolicited request, letter or other inquiry. Regulation 18435, subdivision (a) clarifies this section, and further defines a mass mailing as over two hundred substantially similar pieces of mail sent in a calendar month. Regulation 18435, subdivision (b) defines the term “sender,” as used in Section 84305, as the candidate or committee who pays for the largest portion of expenditures attributable to the designing, printing or posting of the mailing.

Pursuant to Section 83116.5, any person who violates any provision of the Act, who purposely or negligently causes any other person to violate any provision of the Act, or who aids or abets any other person in the violation of any provision of the Act, shall be liable under the provisions of Chapter 3 of the Act.² This section only applies to persons who have filing or reporting obligations under the Act, or who are compensated for services involving the planning, organizing or directing any activity regulated or required by the Act.

SUMMARY OF THE FACTS

Respondent AMAC Information & Graphics (“AMAC”) is a political campaign company that designs, produces, and distributes election campaign materials for candidates and committees. Respondent AMAC also produces and supplies mailing lists and labels to candidates and campaign committees that target specific voting groups. Respondent AMAC is located in Redondo Beach, in Los Angeles County, and is a sole proprietorship owned by Respondent William MacAlpin.

² Chapter 3 of the Act contains only administrative penalties for violations of the Act. Civil and criminal penalties are contained in Chapter 11. According to Section 83116.5, a person charged under this section for negligently causing a violation of the Act, or aiding and abetting another in a violation of the Act, can only be liable for the administrative penalties found in Section 83116. In 1999, the administrative penalty for a single violation of the Act was an amount up to two thousand dollars (\$2,000).

On or about March 31, 1999, an unidentified driver delivered several boxes of printed mailers to Respondents' place of business. The boxes contained over 12,000 copies of a mailer directed to Inglewood voters. The mailer was an 11"x17" sheet of paper folded in half, and printed in a red, black and white color scheme. The front half of the folded mailer was printed in red, with white letters, reading: "Mayor Judge Reverend Potentate Roosevelt Dorn's Election Day Recommendations." At the time, Roosevelt Dorn was the incumbent Mayor of the City of Inglewood, and Inglewood's municipal election was scheduled to be held on April 6, 1999.

The inside of the 11"x17" full sheet contained eight photographs of apes and monkeys identified as Mayor Roosevelt Dorn and other candidates in the upcoming Inglewood election. Seven of the eight persons depicted in the mailer were of African-American descent, and the City of Inglewood has a large African-American population. The mailer included inflammatory text ridiculing and mocking Mayor Dorn's endorsement of the various candidates, and their qualifications for elected office. In addition to Mayor Dorn and incumbent City Councilman Jerome Horton, the candidates in the upcoming election who were identified as apes and monkeys were incumbent District 4 City Councilman Garland Hardeman, District 3 City Council candidates Lee Sudman and Charles Harkey, City Clerk candidate David Stewart, District 2 City Council candidate Cal Burton, and Inglewood School Board candidate Leonard Ross. The text at the bottom of the mailer read: "Don't Let Dorn Make A Monkey Out Of You...Vote for Independence!"

The back half of the folded 11"x17" sheet contained only a mailing label and bulk rate permit information. There was no information printed on the mailer identifying the name, address, or city of the candidate or committee who produced and paid for the mailer.

Respondents AMAC and William MacAlpin placed mailing labels on copies of the mailer, and delivered the copies to the post office. Respondents' bulk rate permit was used to send the copies of the Inglewood mailer. According to postal records, 12,327 copies of the mailer were sent on April 2, 1999, at a total postage cost of \$1,676.47. Respondents received a cash payment for their services in handling the mailing, and did not retain any documents or paperwork as evidence of the transaction. As a result of Respondents' actions in not maintaining records of the transaction, the identity of the person or persons responsible for designing, producing and paying for the Inglewood mailer was never ascertained.

The distribution of the Inglewood mailer qualified as a "mass mailing" under the Act, since it involved sending more than 200 substantially similar pieces of mail in a calendar month. Further, the sender of the mailer, whether a candidate or committee, should have been identified on the outside of the mailer pursuant to Section 84305. Even if the sender of the mass mailing was an individual who had not previously qualified as a "committee" under the Act, the mass mailing qualified as an "independent expenditure," as it expressly advocated the defeat of candidates endorsed by Mayor Dorn. Since this "independent expenditure" was in excess of \$1,000, the sender of the mass mailing would have qualified as an "independent expenditure committee" by sending the mailing, and as a "committee" should have been identified as the sender of the mailing, pursuant to Section 84305.

Pursuant to Section 83116.5, Respondents AMAC and William MacAlpin negligently caused the anonymous candidate or committee to send a mass mailing without sender identification in violation of Section 84305. Respondents are liable for causing the violation, because they received compensation for directing an activity that is regulated by the Act. The activity regulated by the Act is the sending of mass mailings that include proper sender identification. Respondents' actions, in negligently directing the mailing of the Inglewood mailer, caused the mailer to be sent without sender identification, in violation of Section 84305.

CONCLUSION

The mass mailing in this case was highly offensive and reprehensible, in that it depicted Inglewood elected officials and candidates for elected office, seven of whom were of African-American descent, as apes and monkeys. The lack of sender identification was intentional, and designed to shield the sender from public scrutiny for the malicious mailing. The failure to include sender identification caused serious public harm in the Inglewood community, which has a large African-American population that was outraged by the mailing.

Respondents' actions are aggravated by their failure to maintain any records of the mailer transaction, and accepting a cash payment for their handling of the mailer. The failure to maintain records of the transaction was contrary to Respondents' normal business practices, and prevented Commission staff from learning the identity of the candidate or committee who actually produced and paid for the mailer.

Pursuant to Section 83116.5, this matter consists of one count of causing a violation of Section 84305 of the Act, which carries a maximum administrative penalty of Two Thousand Dollars (\$2,000).

The facts of this case, including the aggravating factors discussed above, justify imposition of the agreed upon penalty of Two Thousand Dollars (\$2,000).